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Diana T Fritz 06/05/2007 10:40:34 AM From DB/Inbox: Search Results

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SIPDIS
TELEGRAM

February 02, 2003

To: No Action Addressee
Action: Unknown
From: AMEMBASSY ABU DHABI (ABU DHABI 552 - ROUTINE)
TAGS: ECON, EFIN, PGOV
Captions: None
Subject: THE MONEY PIT: FISCAL IRREGULARITIES IN THE UAE
Ref: None

C O N F I D E N T I A L ABU DHABI 00552

SIPDIS
CXABU:
ACTION: ECON
INFO: AMB POL DCM P/M
Laser1:
INFO: FCS

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: CDA: TWILLIAMS
DRAFTED: ECON: CCRUMPLER
CLEARED: NONE

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RR RUEHC RUEHZM RUEAWJA RUCPDOC RUEATRS RHEHNSC
RUEAIIA RHEFDIA
DE RUEHAD #0552 0331333
ZNY CCCCC ZZH
R 021333Z FEB 03
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 8207
INFO RUEHZM/GCC COLLECTIVE
RUEAWJA/DOJ WASHDC
RUCPDOC/USDOC WASHDC
RUEATRS/TREASURY DEPT WASHDC
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC

C O N F I D E N T I A L ABU DHABI 000552

SIPDIS

STATE FOR EB, NEA/ARP AND NEA/RA
DOJ FOR T. GREENBERG
COMMERCE PASS TO C. LOUSTAUNAU
TREASURY PASS FEDERAL RESERVE
NSC FOR J. MYERS

E.O. 12958: DECL: 02/02/2013
TAGS: [ECON](#) [EFIN](#) [PGOV](#) [TC](#)
SUBJECT: THE MONEY PIT: FISCAL IRREGULARITIES IN THE UAE

1. (U) Classified by Charge D'Affaires Tom Williams for reasons 1.5
(b) and (d).

2. (U) The UAE federal government's top financial control body -- the
Abu Dhabi

Audit Department -- announced publicly on February 1 that the federal coffers had received only USD \$107,000 of the USD \$9 million in fees expected to be collected by the federal ministries and other official departments in 2002. The Audit Department noted that the Interior and Economy Ministries, in particular, failed to collect and transfer significant revenues from fees of government services rendered.

¶3. (U) The Audit Department cited the Ministry of Economy for failing to collect fines from foreign companies that delayed the registration or renewal of their commercial licenses in violation of federal law. The Ministry of Interior also did not collect fines paid for traffic violations from the individual Traffic and Civil Defense Departments in the northern emirates. For its part, the Ministry of Health increased its fee schedule for services at some health centers in mid-2002, but did not collect the amended fees from patients for the latter half of the year.

¶4. (U) In contrast, the Audit Department noted that some departments of Naturalization and Residency did collect the appropriate fees in 2002, but "accidentally" transferred the funds to local governments instead of the federal government.

¶5. (C) Comment: Although an Audit Department official intimated that theft and embezzlement were suspected in some of the cases in the northern emirates (he noted that these cases had been referred to the Attorney-General) the fiscal irregularities probably owe more to the confederation's institutional inability to systematically collect and transfer revenue to the feds, rather than malfeasance. It is unusual for the government to publicize such derogatory information; we can only surmise that Abu Dhabi, which foots the bill for the increasingly large federal budget, would like to see federal institutions do a better job -- however small and symbolic -- of helping pay their way. End comment.

Williams